

**PRESS RELEASES****Secretary Spellings Delivered Remarks at Federal Student Aid Conference in Las Vegas, Nevada****FOR RELEASE:**
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(202) 401-1576

Las Vegas, Nev. — U.S. Secretary of Education Margaret Spellings today delivered remarks to some 3300 participants attending the 2006 Federal Student Aid (FSA) conference in Las Vegas. Attendees included financial aid officers and other officials of more than 2000 colleges and postsecondary institutions, as well as representatives of the lending industry, guaranty agencies, non-profit organizations, higher education associations, and software developers.

Following are Secretary Spellings' prepared remarks at the FSA conference:

Thank you Terri for that kind introduction. I'm grateful for your leadership of Federal Student Aid and for your dedication and commitment to helping students pursue higher education.

I also want to thank Jim Manning for his leadership at our Office of Postsecondary Education.

And to all of you... thank you for being here today to discuss how we can ensure that all Americans have the opportunity to pursue higher education.

Being here in Las Vegas, we know one thing: we can't afford to gamble on our children's future! In a world where 90 percent of the fastest-growing jobs require postsecondary education, a college degree is becoming essential.

You're the ones who work behind the scenes to turn the dream of college into a reality. More than 10 million Americans receive federal student aid each year—that's more than half of all postsecondary students. FSA oversees more than \$80 billion in aid to help them finance their education.

Administering this money and getting it to those who need it most is no small feat. When thousands lost everything in the wake of hurricanes Katrina and Rita, you rallied together to ensure displaced students could continue paying for their education. And I know it wasn't easy to implement our new Academic Competitiveness and SMART Grants in time for this school year. But thanks to your hard work, these grants are now providing additional aid for hundreds of thousands of low-income

students who take challenging courses in high school and study fields like math and science.

Higher education has long been one of the undeniable strengths of our nation. In quality, diversity, and character, it's the envy of the world.

I was reminded of this earlier this month while traveling in Asia with a dozen university presidents from U.S. higher education institutions from around the country. Our delegation—amazingly, the first of its kind ever put together by the U.S. government—represented the broad spectrum of our higher education system: large, small, public, private, community colleges and research institutions.

Our goal was simple: To spread the word that our doors are open to foreign students who are searching for educational opportunity in America and that we support more of our students studying abroad. We also went to listen. We learned that America remains a premier destination for international study but that affordability is a big concern. Foreign students are drawn to our system because of its emphasis on teaching critical thinking skills, creativity and problem solving—skills that compliment their own laser focus on math, science and foreign languages. They are hungry to learn and they desire to compete with us as never before in the global marketplace.

It is this "hunger"—which I fear too often is lacking here at home—as well as the focus on competitiveness that is driving Asia's education explosion. It is clear we must recreate our own culture that instills within our children and young adults the importance of higher education.

As Tom Friedman says in *The World is Flat*, when it comes to education, other countries are working to replicate the system that we have now—and I've seen firsthand that they're succeeding. The question is, what are we going to do in the future?

Sixty percent of Americans have no postsecondary credentials at all. Where we once were leaders, now other nations educate more of their young adults to more advanced levels than we do. And to reclaim the top spot, we need to help an additional 9 million Americans earn degrees.

That's why I'm proud to help kick off our new, national public service campaign to spread the message that we want to help every qualified student who wants a degree to attain one... regardless of race, background, or income level. As I speak, FSA is asking thousands of newspapers, magazines, and TV and radio stations to tell millions of Americans that "the most costly education is the one not begun."

Because the truth of the matter is that in today's world, a college education is essential to achieving the American Dream.

Unfortunately, all of us know there are far too many Americans who want to go to college but don't think they can afford it. We must change that... and with your help, we will.

There's no question the rising sticker price of college is making higher education more difficult to attain. Over the last 25 years, college tuition has outpaced inflation, family income, even doubling the cost of health care. And in the past five years alone, tuition at four-year colleges has skyrocketed by 35 percent. As a one-third investor in higher education, the U.S. Government has a major stake in keeping the system affordable.

Last year, I formed a bipartisan Commission on the Future of Higher Education. Some of America's best and brightest came together across many sectors to begin a national dialogue on higher education. And this fall, I announced my first steps to address the issues of accessibility, affordability, and accountability raised by the commission. Let me briefly touch on these.

First, to expand access to higher education, we must better prepare our students—starting with high standards and accountability in our public schools. This will be a major topic as we work to reauthorize *No Child Left Behind* next year.

Second, we must make sure college is affordable. As you all know, the financial aid system is in urgent need of reform. At the federal level, it's a maze of 60 websites, dozens of toll-free numbers, and 17 different programs. It's a crazy system for anyone to try and navigate. I need not tell you that the main federal student aid form is longer and more complicated than the federal tax form!

I know all this red tape takes a toll on you. You spend countless hours sorting through excessively complicated paperwork—time you should be spending helping families and students. That's why I'm directing my department to work with you to help ease this burden. We must streamline the process, cut the application time in half, and notify students of their aid eligibility earlier than spring of their senior year to help them plan ahead. We must target all of our resources to making the system accessible and understandable for students and families.

We also must increase need-based aid. I look forward to engaging Congress on this issue. We must improve the financial aid process to get help to students who need it most. With your help, we've made some progress on this front—now, up to 500,000 students will benefit from our new Academic Competitiveness and SMART grants. That means more students enrolling in college, more students pursuing critical subjects like math and science, and less student debt.

But more must be done to simplify student access to aid, to notify students of eligibility early, to target resources to the neediest students, and to minimize the risk of tuition inflation. As policymakers and

legislators begin to look at this issue, we must make sure that we're offering long-term solutions that fix the system's underlying problems... without ultimately increasing the cost of higher education. This complete view is necessary for us to achieve our most important goal: getting more money to the neediest students when they need it.

Money's important. But we're going to keep chasing our tail on price until we realize that, when a system is broken, band-aids aren't the answer. A good deal of the solution comes down to information—what is the best integration of grants and loans for students and families that won't ultimately make it more expensive for them to get a college education? Like any other investment or enterprise, meaningful data is critical to better managing the system.

To meet the challenges I've outlined today, we must work together. In March, I'll convene a summit to discuss the full slate of recommendations, our progress, and specific responsibilities going forward, and I want the leaders of financial aid community to be front and center. I also need your help in ensuring that American families are part of the conversation, and that we're offering user-friendly information to help them understand the opportunities that are available to them.

Just as the commission reflected a cross-section of stakeholders, finding the right solutions will take a similar partnership. And I look forward to working with you to make sure that we're doing the best job possible of serving our most important clients: students.

Thank you. I'll be happy to answer your questions

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Secretary Spellings speaks to more than 3,000 participants attending the 2006 Federal Student Aid (FSA) conference in Las Vegas, Nevada. Attendees included financial aid officers and other officials of more than 2000 colleges and postsecondary institutions, as well as representatives of the lending industry, guaranty agencies, non-profit organizations, higher education associations, and software developers.